



To: Indiana Housing Finance Authority Board of Directors
 From: Sheryl Sharpe, Wendy Landes, Brian Philps, Erika Scott, Jacob Sipe
 Date: October 25, 2001
 Re: Indiana Low Income Housing Trust Fund Loan

On August 1, 2001, IHFA received one application for \$200,000 in Trust Fund loan funds. The following loan is respectfully recommended for Trust Fund financing totaling \$200,000 and impacting 10 units.

Lincoln Hills Development Corporation	TF-01-06
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Trust Fund Amount Requested: \$200,000.00
Trust Fund Amount Recommended: \$200,000.00
Total Project Costs: \$2,794,959.00
Primary Project County: Harrison
Project Name: Village Apartments of Corydon II
Housing Activity: Rental – New Construction
Loan Type: Short-Term Permanent Financing
Anticipated # of Assisted Units: 10
Income Range: 90% (9 units) at or below 40% AMI
 10% (1 unit) at or below 30% AMI

Loan Terms	Requested	Recommended
Loan Amount	\$200,000.00	\$200,000.00
Rate	4%	4%
Term	7 years	7 years
Amortization	19 years	19 years
Security	2 nd mortgage	2 nd mortgage
Repayment Schedule	Quarterly principal and interest payments with a balloon payment at the end of the term.	Quarterly principal and interest payments with a balloon payment at the end of the term.

This loan is recommended contingent upon the development receiving and retaining an allocation of Rental Housing Tax Credits (RHTC) and HOME Investment Partnerships Program funds and/or obtaining other project financing suitable to IHFA.

The Lincoln Hills Development Corp. will use the Trust Fund loan as short-term permanent financing for Rental – New Construction. The organization anticipates assisting 10 units of a 40-unit development in the City of Corydon. The organization previously received a CHDO Predevelopment Loan to determine the feasibility of this undertaking.

The not-for-profit applicant for the Trust Fund loan is Lincoln Hills Development Corp., an IRS-approved 501c(3) organization. Due to the nature of the undertaking as a RHTC development, the owner of the property will be Village Apartments of Corydon II, L.P. Lincoln Manner Apartments, Inc., the General Partner of the ownership entity, is a wholly owned subsidiary of Lincoln Hills Development Corp.

IHFA will execute the Trust Fund loan agreement with Lincoln Hills Development Corp., who in turn will execute a loan agreement with Village Apartments of Corydon II, L.P. Village Apartments of Corydon II, L.P. will provide a mortgage to Lincoln Hills Development Corp., who will then provide IHFA with an assignment of mortgage as security for the Trust Fund loan.

Lincoln Hills Development Corp. will draw down the Trust Fund loan at the completion of construction, which is anticipated to occur in January 2003. The agency has a commitment from Old National Bank in Evansville to refinance the outstanding loan balance at the end of the 7th year, which will enable the organization to repay the Trust Fund loan.